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Southern District of New York  
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**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re.	:	
	:	Chapter 7
BETSY S. GREEN,	:	
	:	Case No. 09-11958 (ALG)
Debtor.	:	
	:	
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BETSY S. GREEN,	:	
	:	
Plaintiff,	:	Adv. Proc. No. 09-01545 (ALG)
	:	
- v -	:	
	:	<b><u>ANSWER</u></b>
UNITED STATES OF AMERICA,	:	
DEPARTMENT OF THE TREASURY,	:	
INTERNAL REVENUE SERVICE,	:	
	:	
Defendant.	:	
-----	x	

Defendant the Internal Revenue Service of the United States Department of the Treasury (the "IRS"), by and through its attorney, Preet Bharara, United States Attorney for the Southern District of New York, answers the Complaint in the above-captioned adversary proceeding on information and belief as follows:

1. Paragraph 1 of the Complaint consists solely of legal conclusions with regard to jurisdiction, to which no response is required.

2. Paragraph 2 of the Complaint consists solely of plaintiff's characterization and/or legal conclusions as to the nature of this proceeding, to which no response is required.

3. Paragraph 3 of the Complaint consists solely of legal conclusions with regard to venue, to which no response is required.

4. Admits that on April 15, 2009 (the "Petition Date"), plaintiff commenced a proceeding pursuant to Chapter 7 of the United States Bankruptcy Code (the "Chapter 7 Proceeding") in the United States Bankruptcy Court for the Southern District of New York by filing a voluntary petition.

5. Admits paragraph 5 of the Complaint.

6. Paragraph 6 of the Complaint consists solely of plaintiff's beliefs about her federal tax liabilities, to which no response is required. To the extent that a response is required, the IRS denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 6 regarding plaintiff's beliefs and denies the remaining allegations in paragraph 6, except admits that it has filed a proof of claim in the Chapter 7 Proceeding in the amount of \$766,915.33 for federal income taxes owed by plaintiff for the years 1997 – 2008.

7. Denies the allegations in paragraph 7 of the Complaint, except admits that prior to the commencement of the Chapter 7 Proceeding, IRS issued levies to collect on plaintiff's outstanding federal income tax liabilities and that, on or about April 23, 2009, the IRS suspended such levies on account of the Chapter 7 Proceeding and released funds paid to the IRS subsequent to the Petition Date.

8. With respect to the allegations contained in paragraph 8 of the Complaint, the IRS repeats and realleges its responses to paragraphs 1 through 7.

9. Paragraph 9 of the Complaint consists solely of a recitation of provisions of the Bankruptcy Code, to which no response is required. To the extent that a response is required, the IR refers the Court to the text of 11 U.S.C. §§ 523 and 507.

10. Denies the allegations in paragraph 10 of the Complaint, except admits that plaintiff's federal income tax liabilities for the tax years 1997 – 2004 became due more than three years prior to the Petition Date.

11. Denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 11 of the Complaint.

12. Paragraph 12 of the Complaint consists solely of plaintiff's legal conclusions with regard to her entitlement to certain relief, to which no response is required. To the extent that a response is required, denies the allegations in paragraph 12.

13. With respect to the allegations contained in paragraph 13 of the Complaint, the IRS repeats and realleges its responses to paragraphs 1 through 12.

14. Paragraph 14 of the Complaint consists solely of allegations regarding plaintiff's subjective beliefs, to which no response is required. To the extent that a response is required, the IRS denies knowledge or information sufficient to form a belief as to the truth of the allegations in paragraph 14 regarding plaintiff's beliefs, but avers that it has filed notices of federal tax liens based on plaintiff's federal income tax liabilities.

15. Paragraph 15 of the Complaint consists solely of plaintiff's speculations and legal conclusions, to which no response is required. To the extent that a response is required, the IRS denies knowledge or information sufficient to form a belief as to the truth of plaintiff's speculations in paragraph 15, except avers that it has filed notices of federal tax liens based on plaintiff's federal income tax liabilities.

16. With respect to the allegations contained in paragraph 16 of the Complaint, the IRS repeats and realleges its responses to paragraphs 1 through 15.

17. Paragraph 17 of the Complaint consists solely of plaintiff's legal conclusions as to the treatment of certain federal tax liabilities in the Chapter 7 Proceeding and plaintiff's characterization as to the value of her prepetition assets, to which no response is required. To the

extent that a response is required, the IRS denies knowledge or information sufficient to form a belief as to value of plaintiff's prepetition assets and denies the remaining allegations in paragraph 17.

The paragraphs following "WHEREFORE, Plaintiff respectfully prays for judgment" consist solely of plaintiff's request for relief to which no response is required. To the extent that a response is required, the IRS denies that plaintiff is entitled to any of the relief sought.

**AFFIRMATIVE DEFENSE**

Pursuant to 11 U.S.C. § 523(a)(1)(C), plaintiff is barred from seeking a discharge of tax liabilities to the extent that she made a fraudulent return or willfully attempted to evade or defeat such tax.

WHEREFORE, the IRS demands judgment dismissing the complaint and granting such further relief as this Court deems proper, including costs and disbursements.

Dated: New York, New York  
November 25, 2009

PREET BHARARA  
United States Attorney

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New York, NY 10022  
*Counsel for Plaintiff*

CERTIFICATE OF SERVICE

I, Li Yu, an Assistant United States Attorney for the Southern District of New York, hereby certify that on November 25, 2009, I caused a copy of the IRS's Answer in *Green v. United States of America, Department of the Treasury, Internal Revenue Service*, Adv. No. 09-01545 (ALG), to be served, by ECF and First-Class Mail, upon the counsel for plaintiff at:

Gabriel Del Virginia, Esq.  
488 Madison Avenue, 19th Floor  
New York, NY 10022

Dated: New York, New York  
November 25, 2009

By: s/ Li Yu  
LI YU  
Assistant United States Attorney